



民安(控股)有限公司

The Ming An (Holdings) Company Limited
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1389)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

FINANCIAL HIGHLIGHTS

- Gross written premiums amounted to HK\$1,970 million in 2008, compared to HK\$1,346 million in 2007, representing an increase of 46.4%.
- Loss attributable to shareholders amounted to HK\$375 million.
- The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2008.

CHAIRMAN'S STATEMENT

OVERVIEW

In the year 2008, the business of The Ming An (Holdings) Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) maintained steady sustainable growth and recorded an underwriting profit for six consecutive years. The development of our business network in the People’s Republic of China (“**PRC**”) has been very satisfactory. The establishment of our major branches is complete. The Group’s business in PRC increased significantly. The Group’s revenue increased by 46.4 per cent to HK\$1,970 million (2007: HK\$1,346 million). Meanwhile, the substantial increase in management and operating expenses contributed to our operating loss. Nevertheless, the overall result is within our expectations. We believe we can gain competitive advantage for the Group’s long-term growth and create shareholder value by taking advantage of business opportunities in the PRC market.

In PRC and Hong Kong, share prices declined significantly during the first half of 2008. In the second half of the year, the international financial crisis began and the investment environment became increasingly difficult. For the year ended 31 December 2008, the Group recorded investment loss of HK\$11 million (2007: profit of HK\$911 million). In this financial year, the Group’s loss attributable to shareholders was HK\$375 million (2007: profit of HK\$717 million).

BUSINESS REVIEW

The business of the Group expanded rapidly. Gross premium income reached HK\$1,970 million. Business from PRC contributed to 53.7 per cent of total gross premium income, compared to 32.2 per cent in the year 2007. Business from Hong Kong contributed to the remaining 46.3 per cent.

In the year 2008, the Hong Kong insurance market environment deteriorated. In the face of fierce competition and the current financial crisis, business conditions were increasingly difficult. The Group has close cooperation with business partners, and the Group is keen on developing business cooperation with banks, identifying potential area for business growth, developing new insurance products and expanding sales network in order to maintain steady business growth under the financial crisis. The Group recorded gross premium income of HK\$913 million from Hong Kong and achieved underwriting profit when Hong Kong was adversely affected by natural perils such as heavy rainstorms and typhoons.

In respect of the PRC market, the Group aimed to set up the national business network quickly, and therefore accelerated the pace of the establishment of the national network in the year 2008. During the year, the Group established eight new provincial branches in the PRC, namely, in Anhui, Hubei, Tianjin, Liaoning, Sichuan, Hunan, Henan and Fujian. In addition to the ten provincial branches which have already been established, the Group has a total of eighteen provincial branches. The establishment of branches at the provincial level is complete. During the year, the Group opened thirty-five sub-branches in the PRC. The number of sub-branches increased to fifty-two, and the number of employees increased to two thousand and five hundred approximately. With the opening of more branches, gross premium income from the PRC increased by 143.7 per cent, from HK\$434 million in the year 2007 to HK\$1,057 million in the year 2008.

To strengthen the information technology system and to improve the effectiveness of management, we have implemented the new core business system and the new accounting system in Hong Kong in the year 2008 following the successful completion of the establishment of the centralised management system in the PRC in the year 2007.

2009 OUTLOOK

The effect of the international financial crisis on the economy is becoming more apparent. It is difficult to foresee when the financial crisis will end. The year 2009 will be a challenging year. In the face of fierce competition and adverse economic conditions, the Group will continue to adopt prudent underwriting and investment strategies to create value for its shareholders and investors.

Hong Kong adopts free market economic policy. The international financial crisis has a direct impact on the economy and businesses in Hong Kong. The business environment of the Hong Kong general insurance market is also adversely affected. With the experience of the financial crisis, the insurance industry may return to the “basic”, i.e. focus on the importance of underwriting profit again. The Group is firmly committed to maintaining prudent underwriting principles, enhancing operational efficiency and providing reliable services to customers. The Group will continue to focus on maintaining steady business growth in Hong Kong.

The insurance market in the PRC is affected by the international financial crisis but the market has enormous potential for long-term growth. The China Insurance Regulatory Commission is tightening the regulation of the insurance industry. The insurance market will be subject to even more rigorous regulatory requirements, and it will have a positive effect on the Group. In the absence of any unforeseen circumstances which may have a material adverse effect on the Group's PRC operation, it is believed that premium income from business in PRC will increase in the year 2009. The Group has completed building the network in the PRC. With the further improvement of our management systems, the Group's management and operating expenses will decrease. The operating result of the Group will further improve. We believe that some of those branches which are established earlier will attain the normal standard of operation and will reach breakeven soon.

In respect of investment, the stock market environment is expected to be volatile in the year 2009. The returns on investment will not significantly improve. However, we will enhance our communication and cooperation with assets management companies, actively seek professional advice and find long-term stable investment channels in order to maximise returns on investment.

The Group will adopt a diversified business development strategy, restructure business portfolio, improve allocation of resources and continue to enhance the Group's market value in order to achieve steady sustainable growth and create the greatest value for shareholders. The year 2009 marked the sixtieth anniversary of Ming An. The sixty years of robust growth of Ming An is inseparable from the support of the public. We are taking the opportunity of this occasion to promote our company culture and build a good corporate brand.

On behalf of the board of directors, I thank our shareholders and customers for their trust and support. I also thank our employees for their devotion and contribution.

Lin Fan
Chairman

Hong Kong, 20 March 2009

The board of directors of the Company (the “**Board**”) has pleasure in presenting the consolidated results of the Group for the year ended 31 December 2008 with comparative figures for the previous corresponding year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Turnover	4	<u>1,969,887,435</u>	<u>1,346,414,178</u>
Gross written premiums		1,969,887,435	1,346,414,178
Change in gross provision for unearned premiums		<u>(294,686,345)</u>	<u>(121,273,302)</u>
Gross earned premiums		1,675,201,090	1,225,140,876
Reinsurers’ share of earned premiums	5	<u>(514,656,089)</u>	<u>(472,781,278)</u>
Net earned premiums		<u>1,160,545,001</u>	<u>752,359,598</u>
Net commission expenses	5	<u>(285,006,933)</u>	<u>(179,050,995)</u>
Gross claims paid		<u>(961,533,523)</u>	<u>(992,693,279)</u>
Change in gross provision for outstanding claims		88,363,824	493,293,285
Gross claims incurred		<u>(873,169,699)</u>	<u>(499,399,994)</u>
Reinsurers’ share of claims incurred	5	<u>251,343,444</u>	<u>204,682,793</u>
Net claims incurred		<u>(621,826,255)</u>	<u>(294,717,201)</u>
Change in net provision for unexpired risks	5	<u>6,091,000</u>	<u>142,000</u>
Other operating expenses		<u>(569,392,181)</u>	<u>(312,279,749)</u>
Underwriting loss		<u>(309,589,368)</u>	<u>(33,546,347)</u>
Investment income	6	240,570,958	172,296,349
Net realised and unrealised (losses)/gains on investments	7	<u>(251,784,123)</u>	738,599,311
Other net loss		<u>(26,168,144)</u>	<u>(22,072,184)</u>
Administrative and other expenses		<u>(28,203,795)</u>	<u>(26,257,485)</u>
(Loss)/profit from operations		<u>(375,174,472)</u>	829,019,644
Share of profit of an associate		506,466	493,721
(Loss)/profit before tax	8	<u>(374,668,006)</u>	829,513,365
Income tax expense	9	<u>(120,462)</u>	<u>(112,975,051)</u>
(Loss)/profit for the year		<u><u>(374,788,468)</u></u>	<u><u>716,538,314</u></u>

	<i>Notes</i>	2008 HK\$	2007 <i>HK\$</i>
Attributable to:			
Equity shareholders of the Company		(374,788,468)	716,538,314
Dividends payable to equity shareholders of the Company in respect of the year:			
Interim dividend declared during the year	<i>10</i>	–	58,127,680
Final dividend proposed after the balance sheet date	<i>10</i>	–	87,191,520
		–	145,319,200
(Loss)/earnings per share attributable to equity shareholders of the Company:			
Basic	<i>11</i>	(0.129)	0.247
Diluted	<i>11</i>	(0.129)	0.247

CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2008

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2008 HK\$	2007 <i>HK\$</i>
Assets			
Statutory deposits		220,268,135	111,628,620
Property and equipment		220,429,169	140,208,161
Interests in leasehold land held for own use under operating leases		349,306,204	227,016,609
Investment properties		1,087,710,000	1,000,350,000
Interest in an associate		4,180,421	4,173,242
Deferred tax assets		69,306,841	69,200,000
Loan receivables		34,017,900	–
Investments in securities		2,565,721,717	1,660,663,876
Insurance receivables	12	291,553,045	286,322,144
Other receivables		92,403,673	123,698,127
Reinsurers' share of insurance funds		1,158,347,658	1,269,723,745
Amount due from ultimate holding company		564,264	–
Amounts due from shareholders		4,173,936	552,152
Amounts due from fellow subsidiaries		7,358,338	20,019,718
Amounts due from other affiliated companies		15,066,873	29,274,215
Pledged bank deposits		83,276,242	–
Deposits with banks with original maturity more than three months		123,223,221	835,722,675
Cash and cash equivalents		1,067,109,586	1,742,755,765
		<hr/>	<hr/>
		7,394,017,223	7,521,309,049
		<hr/>	<hr/>
Liabilities			
Insurance funds		3,230,699,167	3,008,502,852
Insurance protection fund		6,424,531	2,245,683
Insurance payables	13	410,982,336	417,614,220
Other payables		124,228,379	93,188,720
Amount due to a shareholder		200,868	–
Amounts due to fellow subsidiaries		29,428,831	23,519,536
Amounts due to other affiliated companies		629,594	–
Bank borrowings	14	110,217,996	–
Tax liabilities		121,468,537	121,468,537
		<hr/>	<hr/>
		4,034,280,239	3,666,539,548
		<hr/>	<hr/>
Net assets		3,359,736,984	3,854,769,501
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	2008 HK\$	2007 <i>HK\$</i>
Capital and reserves			
Share capital		290,638,400	290,638,400
Share premium		2,292,071,992	2,292,071,992
Reserves		777,026,592	1,272,059,109
		<hr/>	<hr/>
Total equity attributable to equity shareholders of the Company		<u>3,359,736,984</u>	<u>3,854,769,501</u>

NOTES

1 General

The Company is a public limited company incorporated in Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”). Its parent company and ultimate holding company are China Insurance Hong Kong (Holdings) Limited (“**CIHK**”) (established in Hong Kong) and China Insurance (Holdings) Company, Limited (“**CIHC**”) (established in the People’s Republic of China (the “**PRC**”)) respectively. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. For the purpose of the consolidated financial statements, the PRC does not include Taiwan, Hong Kong and Macau.

2 Application of new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”)

In the current year, the Group has applied the following amendments and interpretations (“**new HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are or have become effective:

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of financial assets
HK(IFRIC) – Int 11	HKFRS 2: Group and treasury share transactions
HK(IFRIC) – Int 12	Service concession arrangements
HK(IFRIC) – Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of financial statements ²
HKAS 23 (Revised)	Borrowing costs ²
HKAS 27 (Revised)	Consolidated and separate financial statements ³
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation ²
HKAS 39 (Amendment)	Eligible hedged items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate ²
HKFRS 2 (Amendment)	Vesting conditions and cancellations ²
HKFRS 3 (Revised)	Business combinations ³
HKFRS 7 (Amendments)	Improving disclosures about financial instruments ²
HKFRS 8	Operating segments ²
HK(IFRIC) – INT 13	Customer loyalty programmes ⁴
HK(IFRIC) – INT 15	Agreements for the construction of real estate ²
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation ⁵
HK(IFRIC) – INT 17	Distribution of non-cash assets to owners ³
HK(IFRIC) – INT 18	Transfer of assets from customers ⁶

¹ Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, which are effective for annual periods beginning on or after 1st July, 2009.

² Effective for annual periods beginning on or after 1st January, 2009.

³ Effective for annual periods beginning on or after 1st July, 2009.

⁴ Effective for annual periods beginning on or after 1st July, 2008.

⁵ Effective for annual periods beginning on or after 1st October, 2008.

⁶ Effective for transfers of assets from customers received on or after 1st July, 2009.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3 Business and geographical segments

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(i) Business segments

For management purposes, the Group is currently organised into five underwriting business classes-motor, property, liability, marine, and accident and health.

Motor	:	Own damage and third party insurance of motor vehicles
Property	:	Loss of or damage to property (including fire) and pecuniary loss insurance
Liability	:	Employees' compensation and other liability insurance
Marine	:	Cargo, logistic, hull and aircraft insurance
Accident and health	:	Accident and medical insurance

Segment information about these businesses is presented below.

Year ended 31st December, 2008

	Motor HK\$	Property HK\$	Liability HK\$	Marine HK\$	Accident and health HK\$	Unallocated HK\$	Total HK\$
Direct businesses	952,787,869	365,856,190	297,746,314	243,811,234	105,560,991	–	1,965,762,598
Reinsurance businesses accepted	113,421	3,111,066	85,080	185,749	629,521	–	4,124,837
Gross written premiums from external customers	<u>952,901,290</u>	<u>368,967,256</u>	<u>297,831,394</u>	<u>243,996,983</u>	<u>106,190,512</u>	–	<u>1,969,887,435</u>
Net earned premiums	667,586,540	124,241,957	187,203,076	98,478,240	83,035,188	–	1,160,545,001
Net claims incurred	(377,173,900)	(91,722,706)	(80,485,573)	(32,897,047)	(39,547,029)	–	(621,826,255)
Change in net provision for unexpired risks	–	–	2,566,000	3,414,000	111,000	–	6,091,000
Net commission expenses	(198,238,490)	(19,365,428)	(29,820,107)	(14,828,996)	(22,753,912)	–	(285,006,933)
Management and other operating expenses	(347,776,703)	(90,418,309)	(49,295,537)	(45,544,404)	(36,357,228)	–	(569,392,181)
Segment results	<u>(255,602,553)</u>	<u>(77,264,486)</u>	<u>30,167,859</u>	<u>8,621,793</u>	<u>(15,511,981)</u>	–	<u>(309,589,368)</u>
Unallocated operating income and expenses	–	–	–	–	–	(65,585,104)	(65,585,104)
(Loss)/profit from operations	<u>(255,602,553)</u>	<u>(77,264,486)</u>	<u>30,167,859</u>	<u>8,621,793</u>	<u>(15,511,981)</u>	<u>(65,585,104)</u>	<u>(375,174,472)</u>
Share of profit of an associate	–	–	–	–	–	506,466	506,466
(Loss)/profit before tax	<u>(255,602,553)</u>	<u>(77,264,486)</u>	<u>30,167,859</u>	<u>8,621,793</u>	<u>(15,511,981)</u>	<u>(65,078,638)</u>	<u>(374,668,006)</u>
Income tax expense	–	–	–	–	–	(120,462)	(120,462)
(Loss)/profit for the year	<u>(255,602,553)</u>	<u>(77,264,486)</u>	<u>30,167,859</u>	<u>8,621,793</u>	<u>(15,511,981)</u>	<u>(65,199,100)</u>	<u>(374,788,468)</u>
Significant non-cash (expenses)/income:							
– Depreciation and amortisation of interests in leasehold land held for own use under operating leases for the year	<u>(16,915,877)</u>	<u>(2,518,316)</u>	<u>(2,117,421)</u>	<u>(1,660,411)</u>	<u>(1,386,742)</u>	<u>(69,385)</u>	<u>(24,668,152)</u>
– Change in net provision for unearned premiums	<u>(254,677,956)</u>	<u>(22,550,335)</u>	<u>(4,050,083)</u>	<u>(6,528,336)</u>	<u>(8,855,148)</u>	–	<u>(296,661,858)</u>
– Change in net provision for outstanding claims	<u>(34,934,192)</u>	<u>(17,921,982)</u>	<u>54,653,906</u>	<u>(3,271,915)</u>	<u>(18,711,341)</u>	–	<u>(20,185,524)</u>
– Change in net provision for unexpired risks	–	–	2,566,000	3,414,000	111,000	–	6,091,000

As at 31st December, 2008

	Motor HK\$	Property HK\$	Liability HK\$	Marine HK\$	Accident and health HK\$	Unallocated HK\$	Total HK\$
Segment assets	93,819,284	491,956,298	590,466,506	251,472,868	22,185,747	–	1,449,900,703
Unallocated assets	–	–	–	–	–	5,944,116,520	5,944,116,520
Total assets	<u>93,819,284</u>	<u>491,956,298</u>	<u>590,466,506</u>	<u>251,472,868</u>	<u>22,185,747</u>	<u>5,944,116,520</u>	<u>7,394,017,223</u>
Segment liabilities	1,100,511,987	638,066,161	1,362,642,729	414,226,936	126,233,690	–	3,641,681,503
Unallocated liabilities	–	–	–	–	–	392,598,736	392,598,736
Total liabilities	<u>1,100,511,987</u>	<u>638,066,161</u>	<u>1,362,642,729</u>	<u>414,226,936</u>	<u>126,233,690</u>	<u>392,598,736</u>	<u>4,034,280,239</u>
Capital expenditure incurred during the year	<u>124,412,556</u>	<u>36,716,184</u>	<u>3,854,542</u>	<u>5,909,488</u>	<u>5,767,582</u>	<u>16,162,666</u>	<u>192,823,018</u>

Year ended 31st December, 2007

	Motor <i>HK\$</i>	Property <i>HK\$</i>	Liability <i>HK\$</i>	Marine <i>HK\$</i>	Accident and health <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Direct businesses	467,781,848	305,629,260	282,574,984	212,698,275	76,136,891	–	1,344,821,258
Reinsurance businesses accepted	103,219	900,403	82,894	409,326	97,078	–	1,592,920
Gross written premiums from external customers	<u>467,885,067</u>	<u>306,529,663</u>	<u>282,657,878</u>	<u>213,107,601</u>	<u>76,233,969</u>	<u>–</u>	<u>1,346,414,178</u>
Net earned premiums	346,265,659	95,666,731	162,334,469	85,401,185	62,691,554	–	752,359,598
Net claims incurred	(169,930,032)	(23,583,906)	(65,919,657)	(11,532,010)	(23,751,596)	–	(294,717,201)
Change in net provision for unexpired risks	–	872,000	1,091,000	(850,000)	(971,000)	–	142,000
Net commission (expenses)/income	(126,829,722)	5,675,615	(25,304,091)	(16,377,992)	(16,214,805)	–	(179,050,995)
Management and other operating expenses	(152,266,411)	(53,886,758)	(42,158,033)	(38,665,829)	(25,302,718)	–	(312,279,749)
Segment results	(102,760,506)	24,743,682	30,043,688	17,975,354	(3,548,565)	–	(33,546,347)
Unallocated operating income and expenses	–	–	–	–	–	862,565,991	862,565,991
(Loss)/profit from operations	(102,760,506)	24,743,682	30,043,688	17,975,354	(3,548,565)	862,565,991	829,019,644
Share of profit of an associate	–	–	–	–	–	493,721	493,721
(Loss)/profit before tax	(102,760,506)	24,743,682	30,043,688	17,975,354	(3,548,565)	863,059,712	829,513,365
Income tax expense	–	–	–	–	–	(112,975,051)	(112,975,051)
(Loss)/profit for the year	<u>(102,760,506)</u>	<u>24,743,682</u>	<u>30,043,688</u>	<u>17,975,354</u>	<u>(3,548,565)</u>	<u>750,084,661</u>	<u>716,538,314</u>
Significant non-cash (expenses)/income:							
– Depreciation and amortisation of interests in leasehold land held for own use under operating leases for the year	<u>(3,491,327)</u>	<u>(2,542,068)</u>	<u>(1,744,522)</u>	<u>(1,264,168)</u>	<u>(832,540)</u>	<u>(15,045)</u>	<u>(9,889,670)</u>
– Change in net provision for unearned premiums	<u>(92,926,581)</u>	<u>9,940,084</u>	<u>(10,675,198)</u>	<u>(2,567,007)</u>	<u>(3,425,155)</u>	<u>–</u>	<u>(99,653,857)</u>
– Change in net provision for outstanding claims	<u>567,405</u>	<u>(5,681,271)</u>	<u>32,155,367</u>	<u>14,047,779</u>	<u>(3,530,289)</u>	<u>–</u>	<u>37,558,991</u>
– Change in net provision for unexpired risks	<u>–</u>	<u>872,000</u>	<u>1,091,000</u>	<u>(850,000)</u>	<u>(971,000)</u>	<u>–</u>	<u>142,000</u>

As at 31st December, 2007

	Motor <i>HK\$</i>	Property <i>HK\$</i>	Liability <i>HK\$</i>	Marine <i>HK\$</i>	Accident and health <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Segment assets	138,170,319	365,462,043	798,728,095	242,414,650	11,270,782	–	1,556,045,889
Unallocated assets	–	–	–	–	–	5,965,263,160	5,965,263,160
Total assets	<u>138,170,319</u>	<u>365,462,043</u>	<u>798,728,095</u>	<u>242,414,650</u>	<u>11,270,782</u>	<u>5,965,263,160</u>	<u>7,521,309,049</u>
Segment liabilities	821,356,444	529,360,896	1,592,451,505	425,570,930	57,377,297	–	3,426,117,072
Unallocated liabilities	–	–	–	–	–	240,422,476	240,422,476
Total liabilities	<u>821,356,444</u>	<u>529,360,896</u>	<u>1,592,451,505</u>	<u>425,570,930</u>	<u>57,377,297</u>	<u>240,422,476</u>	<u>3,666,539,548</u>
Capital expenditure incurred during the year	<u>16,164,207</u>	<u>11,802,337</u>	<u>1,060,021</u>	<u>1,401,694</u>	<u>769,654</u>	<u>10,687,303</u>	<u>41,885,216</u>

(ii) Geographical segments

The Group's business participates in two principal economic environments, namely Hong Kong and the PRC.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the operations.

	Year ended 31st December, 2008		
	Hong Kong HK\$	The PRC HK\$	Total HK\$
Direct businesses	911,384,855	1,054,377,743	1,965,762,598
Reinsurance businesses accepted	1,509,052	2,615,785	4,124,837
	<u>912,893,907</u>	<u>1,056,993,528</u>	<u>1,969,887,435</u>
Gross written premiums from external customers	<u>912,893,907</u>	<u>1,056,993,528</u>	<u>1,969,887,435</u>
Net earned premiums	568,623,867	591,921,134	1,160,545,001
Net claims incurred	(280,357,944)	(341,468,311)	(621,826,255)
Change in net provision for unexpired risks	6,091,000	–	6,091,000
Net commission expenses	(150,793,022)	(134,213,911)	(285,006,933)
Management and other operating expenses	(141,853,893)	(427,538,288)	(569,392,181)
Segment results	1,710,008	(311,299,376)	(309,589,368)
Other operating income and expenses	(30,904,723)	(34,680,381)	(65,585,104)
Loss from operations	(29,194,715)	(345,979,757)	(375,174,472)
Share of profit of an associate	506,466	–	506,466
Loss before tax	(28,688,249)	(345,979,757)	(374,668,006)
Income tax expense	–	(120,462)	(120,462)
Loss for the year	<u>(28,688,249)</u>	<u>(346,100,219)</u>	<u>(374,788,468)</u>
	As at 31st December, 2008		
	Hong Kong HK\$	The PRC HK\$	Total HK\$
Segment assets	<u>5,451,309,102</u>	<u>1,942,708,121</u>	<u>7,394,017,223</u>
Segment liabilities	<u>2,857,199,865</u>	<u>1,177,080,374</u>	<u>4,034,280,239</u>
Capital expenditure incurred during the year	<u>16,293,661</u>	<u>176,529,357</u>	<u>192,823,018</u>

	Year ended 31st December, 2007		
	Hong Kong	The PRC	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Direct businesses	911,240,708	433,580,550	1,344,821,258
Reinsurance businesses accepted	1,423,232	169,688	1,592,920
	<u>912,663,940</u>	<u>433,750,238</u>	<u>1,346,414,178</u>
Gross written premiums from external customers			
Net earned premiums	529,543,805	222,815,793	752,359,598
Net claims incurred	(177,237,041)	(117,480,160)	(294,717,201)
Change in net provision for unexpired risks	142,000	–	142,000
Net commission expenses	(162,489,101)	(16,561,894)	(179,050,995)
Management and other operating expenses	(136,562,135)	(175,717,614)	(312,279,749)
	<u>53,397,528</u>	<u>(86,943,875)</u>	<u>(33,546,347)</u>
Segment results			
Other operating income and expenses	844,441,409	18,124,582	862,565,991
	<u>897,838,937</u>	<u>(68,819,293)</u>	<u>829,019,644</u>
Profit/(loss) from operations			
Share of profit of an associate	493,721	–	493,721
	<u>898,332,658</u>	<u>(68,819,293)</u>	<u>829,513,365</u>
Profit/(loss) before tax			
Income tax (expense)/credit	(116,867,078)	3,892,027	(112,975,051)
	<u>781,465,580</u>	<u>(64,927,266)</u>	<u>716,538,314</u>
	As at 31st December, 2007		
	Hong Kong	The PRC	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Segment assets	5,885,168,484	1,636,140,565	7,521,309,049
	<u>5,885,168,484</u>	<u>1,636,140,565</u>	<u>7,521,309,049</u>
Segment liabilities	3,080,961,200	585,578,348	3,666,539,548
	<u>3,080,961,200</u>	<u>585,578,348</u>	<u>3,666,539,548</u>
Capital expenditure incurred during the year	10,698,625	31,186,591	41,885,216
	<u>10,698,625</u>	<u>31,186,591</u>	<u>41,885,216</u>

4 Turnover

The principal activities of the Group are the underwriting of all classes of general insurance business in Hong Kong and in the PRC.

Turnover represents gross written premiums, net of discounts and returns, from direct and inward reinsurance businesses during the year.

5 Reinsurers' share of earned premiums, net commission expenses, reinsurers' share of claims incurred and change in net provision for unexpired risks

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Premiums ceded to reinsurers	(512,680,576)	(494,400,723)
Change in reinsurers' share of provision for unearned premiums	(1,975,513)	21,619,445
Reinsurers' share of earned premiums	(514,656,089)	(472,781,278)
Gross commission income	108,972,647	107,255,747
Gross commission expenses	(393,979,580)	(286,306,742)
Net commission expenses	(285,006,933)	(179,050,995)
Reinsurers' share of claims paid	359,892,792	660,417,086
Reinsurers' share of change in provision for outstanding claims	(108,549,348)	(455,734,293)
Reinsurers' share of claims incurred	251,343,444	204,682,793
Change in gross provision for unexpired risks	16,643,000	(8,653,000)
Change in reinsurers' share of provision for unexpired risks	(10,552,000)	8,795,000
Change in net provision for unexpired risks	6,091,000	142,000

6 Investment income

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Interest income		
– Debt securities	84,231,615	8,217,721
– Bank balances	53,623,523	102,068,387
	137,855,138	110,286,108
Interest income from held-for-trading securities	14,238,125	12,382,737
Rental income	47,384,899	39,578,124
Dividend income		
– Listed equity securities	10,505,283	4,152,321
– Unlisted equity securities	30,587,513	5,897,059
	240,570,958	172,296,349

7 Net realised and unrealised (losses)/gains on investments

	2008 HK\$	2007 HK\$
Property related income		
– Fair value gain on investment properties	93,760,000	35,060,000
Investment related income/(loss)		
– Net (loss)/gain on disposal of available-for-sale securities		
– transfer from equity	(17,905,172)	233,088,641
– arising in current year	(176,174,388)	404,972,365
– Net gain on disposal of held-for-trading securities	4,306,382	66,906,977
– Net unrealised loss on held-for-trading securities	(31,077,234)	(1,428,672)
– Impairment loss on available-for-sale securities	(124,693,711)	–
	<u>(251,784,123)</u>	<u>738,599,311</u>

8 (Loss)/profit before tax

	2008 HK\$	2007 HK\$
(Loss)/profit before tax is arrived at after charging/(crediting):		
Auditor's remuneration		
– audit	1,514,283	2,375,634
– tax	(239,928)	630,690
Depreciation	22,892,632	9,617,632
Amortisation of interests in leasehold land held for own use under operating leases	1,775,520	272,038
Staff cost		
– Contributions to defined contribution retirement plan	28,393,942	13,993,026
– Salaries, wages and other benefits	270,846,627	160,380,299
	299,240,569	174,373,325
Operating lease charges in respect of land and buildings	30,599,865	10,468,840
Net impairment losses written back		
– insurance receivables	(2,066,889)	(3,569,513)
– interests in leasehold land held for own use under operating leases	(23,729,263)	–
Net loss on disposal of property and equipment	–	236,433
Net foreign exchange loss	61,445,332	27,440,138
Bad debts recovered	–	(15,329)
Gross property rental income	(47,384,899)	(39,578,124)
Less: direct outgoings	1,904,575	1,601,334
Net property rental income	(45,480,324)	(37,976,790)
Share of tax of an associate	66,578	42,927

9 Income tax

	2008	2007
	HK\$	HK\$
Current tax:		
Hong Kong	–	116,867,078
The PRC	20,347	–
	20,347	116,867,078
Under/(over)-provision in prior years:		
The PRC	100,115	(3,892,027)
Income tax expense	120,462	112,975,051

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

Taxation outside Hong Kong is calculated at rates prevailing in the respective jurisdictions.

10 Dividends

	2008	2007
	HK\$	HK\$
Dividends payable to equity shareholders of the Company in respect of the year:		
Interim dividend declared and paid of nil per ordinary share (2007: HK\$0.02)	–	58,127,680
Final dividend proposed after the balance sheet date		
of nil per ordinary share (2007: HK\$0.03)	–	87,191,520
	–	145,319,200

A final dividend of HK\$0.03 per share (2007: nil) in respect of the previous financial year, was approved and paid during the year.

11 (Loss)/earnings per share

(i) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders for the year of HK\$374,788,468 (2007: profit of HK\$716,538,314) and the weighted average number of 2,906,384,000 (2007: 2,904,369,342) shares in issue during the year.

(ii) Diluted (loss)/earnings per share

There were no dilutive potential ordinary shares as at 31st December, 2008 and 2007.

12 Insurance receivables

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Premiums receivable under direct business	224,239,072	211,641,604
Amounts due under reinsurance contracts	89,880,391	139,673,057
Less: allowance for impaired debts	<u>(22,868,368)</u>	<u>(65,239,999)</u>
	291,251,095	286,074,662
Deposits retained by cedants	<u>301,950</u>	<u>247,482</u>
	<u><u>291,553,045</u></u>	<u><u>286,322,144</u></u>

An aging analysis of the insurance receivables excluding deposits retained by cedants (net of impairment allowance) is as follows:

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Current	220,499,574	242,427,974
1 to 3 months past due	40,032,041	19,183,114
More than 3 months past due but less than 12 months past due	20,815,585	13,420,149
Over 1 year past due	<u>9,903,895</u>	<u>11,043,425</u>
	<u><u>291,251,095</u></u>	<u><u>286,074,662</u></u>

The Group normally allows a credit period ranging from 0-90 days for premium receivables under direct business and 50 days to 90 days for the amounts due from reinsurance contracts after the quarterly statements have been sent.

13 Insurance payables

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Amounts due under direct business	148,709,178	148,740,991
Amounts due under reinsurance contracts accepted	578,016	1,007,133
Amounts due under reinsurance contracts ceded	<u>219,217,813</u>	<u>148,075,912</u>
	368,505,007	297,824,036
Deposits retained from reinsurers	<u>42,477,329</u>	<u>119,790,184</u>
	<u><u>410,982,336</u></u>	<u><u>417,614,220</u></u>

An aging analysis of the insurance payables excluding deposits retained from reinsurers is analysed as follows:

	2008	2007
	<i>HK\$</i>	<i>HK\$</i>
Current or on demand	282,820,141	210,495,683
1 to 3 months past due	41,711,872	30,608,748
More than 3 months past due but less than 12 months past due	28,841,360	26,925,036
Over 1 year past due	15,131,634	29,794,569
	<u>368,505,007</u>	<u>297,824,036</u>

14 Bank borrowings

	2008	2007
	<i>HK\$</i>	<i>HK\$</i>
Bank loans, secured	110,217,996	–

Bank loans are secured by a charge over the Group's investments in securities, bearing the weighted average effective interest rate of the bank loans at 1.3% per annum and repayable within 1 year.

As at balance sheet date, the Group has HK\$80,000,000 (2007: nil) undrawn banking facilities secured by bank deposits.

OTHER INFORMATION

DIVIDEND

The directors of the Company (the “**Directors**”) do not recommend the payment of any final dividend for the year ended 31 December 2008 and no interim dividend was paid during the year ended 31 December 2008.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, the Company has an authorized share capital of HK\$500,000,000 comprising 5,000,000,000 shares of HK\$0.10 each and an issued share capital of HK\$290,638,400, comprising of 2,906,384,000 shares.

Our major sources of funds generated from our insurance business are insurance premiums received and claims recoveries. Other sources of fund include rental, interest and dividend income from investment activities as well as proceeds from disposal of investments. We aim to maintain adequate cash to meet claim payments and other obligations in relation to our insurance business, capital expenditures, operating expenses and tax payments. Our liquidity needs will be affected depending on the timing, frequency and severity of losses under our outstanding policies. We closely monitor and maintain a minimum cash level, taking into account the possibility of infrequent large claims arising from catastrophic events that could affect our general insurance business.

The Group's cash and bank deposits (excluding statutory deposits) as at 31 December 2008 amounted to HK\$1,274 million (2007: HK\$2,578 million). Decrease is mainly caused by increase of investments in debt securities at HK\$1,030 million during the year. We believe that we have sufficient working capital to meet our present requirement. As at 31 December 2008, the Group had bank borrowings of HK\$110 million (2007: Nil) for investment purpose.

CONTINGENT LIABILITIES

In November 2005, the Group received a query issued by the Inland Revenue Department of Hong Kong in relation to the taxability of certain realised and unrealised gains on the disposal of listed investments for the years of assessment from 2000/2001 to 2002/2003. Considering that such gains were capital in nature, the Directors believe that the Group has good prospect to support its tax position, and therefore no provision for a potential tax exposure of approximately HK\$30 million was made in the consolidated financial statements.

Save as herein disclosed above and other than those incurred in the normal course of the Group's insurance business, there was neither outstanding litigation nor any contingent liabilities as at 31st December, 2008 and 2007.

USE OF PROCEEDS

During the reporting period, the use of proceeds from the initial public offering of shares of the Company in 2006 was consistent with the purpose stated in the prospectus of the Company dated 11 December 2006.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the rules governing the listing of securities on the Stock Exchange (the "**Listing Rules**").

CORPORATE GOVERNANCE PRACTICES

The Company is committed to serving the long-term interests of its shareholders by being transparent and employing sound business practices. This commitment extends to the prompt disclosure of relevant information in accordance with the Listing Rules, as well as a continual determination to achieve high levels of ethics and corporate governance within every aspect of the Group's business. The Board will continue to review and monitor the Group's corporate governance practices from time to time with the aim of maintaining a high standard of corporate governance.

During the year ended 31 December 2008, the Board believes that the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2008 have been agreed by the Company's auditor, Deloitte Touche Tohmatsu ("Deloitte"), Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Deloitte in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor on this announcement.

PURCHASE, SALE OR REDEMPTION OF OWN SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2008.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 25 May 2009. For details of the annual general meeting, please refer to the notice of annual general meeting which is expected to be published in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The Company's 2008 annual report containing all the information required by the Listing Rules will be published on the website of the Stock Exchange and on the website of the Company in due course.

By Order of the Board
The Ming An (Holdings) Company Limited
Lin Fan
Chairman

Hong Kong, 20 March 2009

As at the date of this announcement, the executive Directors of the Company are PENG Wei, CHENG Kwok Ping, CHAN Pui Leung, LEE Wai Kun and LIU Shi Hong; the non-executive Directors of the Company are LIN Fan, WU Chi Hung, IP Tak Chuen, Edmond, MA Lai Chee, Gerald, and HONG Kam Cheung; and the independent non-executive Directors of the Company are YUEN Shu Tong, DONG Juan, WONG Hay Chih, YU Ziyou, and LEE Yim Hong, Lawrence.

This announcement is posted on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk on the "Latest Listed Companies Information" page and on the website of the Company at www.mahcl.com.